Third Quarter 2021 Financial Results

October 27, 2021

Forward-Looking Statements and Non-GAAP Financial Measures

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated internal revenue growth, adjusted earnings per share, adjusted earnings per share growth, free cash flow conversion, adjusted operating margin, adjusted operating margin expansion and other statements regarding our future financial performance. Statements can generally be identified as forward-looking because they include words such as “believes,” “anticipates,” “expects,” “could,” “should,” or words of similar meaning. Statements that describe the company’s future plans, objectives or goals are also forward-looking statements. Forward-looking statements are subject to assumptions, risks and uncertainties that may cause actual results to differ materially from those contemplated by such forward-looking statements. The factors that could cause the company’s actual results to differ materially include, among others, the following, many of which are, and may continue to be, amplified by the COVID-19 pandemic: the duration and intensity of the COVID-19 pandemic, including how quickly the global economy recovers from the impact of the pandemic; governmental and private sector responses to the COVID-19 pandemic and the impact of such responses on the company; the impact of the COVID-19 pandemic on the company's employees, clients, vendors, supply chain, operations and sales; the possibility that the company may be unable to achieve expected synergies and operating efficiencies from the acquisition of First Data Corporation ("First Data") within the expected time frames or that the integration of First Data may be more difficult, time-consuming or costly than expected; the company's ability to compete effectively against new and existing competitors and to continue to introduce competitive new products and services on a timely, cost-effective basis; changes in customer demand for the company's products and services; the ability of the company's technology to keep pace with a rapidly evolving marketplace; the successful management of the company's merchant alliance program which involves several alliances not under its sole control; the impact of a security breach or operational failure on the company's business including disruptions caused by other participants in the global financial system; the failure of the company's vendors and merchants to satisfy their obligations; the successful management of credit and fraud risks in the company's business and merchant alliances; changes in local, regional, national and international economic or political conditions and the impact they may have on the company and its customers; the effect of proposed and enacted legislative and regulatory actions affecting the company or the financial services industry as a whole; the company's ability to comply with government regulations and applicable card association and network rules; the protection and validity of intellectual property rights; the outcome of pending and future litigation and governmental proceedings; the company's ability to successfully identify, complete and integrate acquisitions, and to realize the anticipated benefits associated with the same; the impact of the company’s strategic initiatives; the company’s ability to attract and retain key personnel; volatility and disruptions in financial markets that may impact the company's ability to access preferred sources of financing and the terms on which the company is able to obtain financing or increase its costs of borrowing; adverse impacts from currency exchange rates or currency controls; changes in corporate tax and interest rates; and other factors included in “Risk Factors” in the company's Annual Report on Form 10-K for the year ended December 31, 2020, and in other documents that the company files with the Securities and Exchange Commission, which are available at http://www.sec.gov. You should consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on such statements. The company assumes no obligation to update any forward-looking statements, which speak only as of the date of this presentation.

Use of Non-GAAP Financial Measures

This presentation includes non-GAAP financial measures. Additional information about these measures, reconciliations to the nearest GAAP financial measures and additional information about the basis of the presentation of our third quarter financial results are provided in the appendix to this presentation.

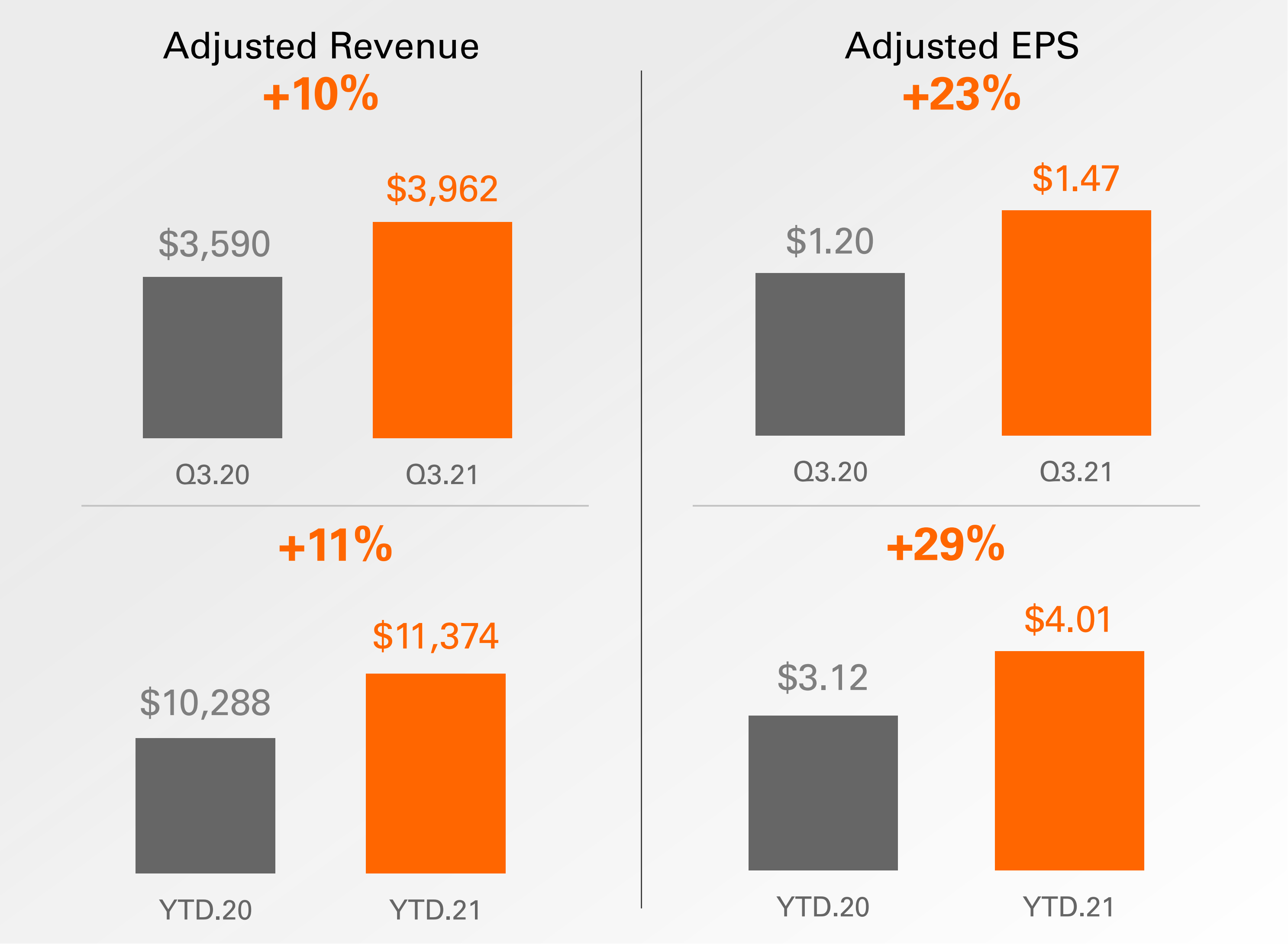
Third Quarter Highlights

- Adjusted Revenue of $3.96 billion, up 10%
- Internal Revenue Growth of 10%
- Adjusted Earnings Per Share of $1.47, up 23%
- Adjusted Operating Margin of 34.2%, up 130 basis points
- YTD Free Cash Flow of $2.3 billion
- Actioned $420 million in merger revenue synergies and $1.16 billion in merger cost synergies to date
- Highest quarter of actioned revenue synergies with $95 million, includes Chime and Paypal
- 3.2 million shares repurchased for $365 million

- Announced agreement to acquire BentoBox, a digital marketing and commerce platform for restaurants, to accelerate the omni-commerce capabilities of Clover
- Launched agent-credit program, Credit Choice, a fully managed platform-as-a-service offering for our financial institutions
- Early success proof points on our advanced Fiserv Digital offering, Card Hub, across existing and new financial institutions and fintech clients
- 150 client sales in the quarter for Abiliti, our cloud-based, API-driven digital and mobile banking platform
- On track implementation of notable client wins including Caixa and Deutsche Bank within the Merchant Acceptance segment and ADS, Atlanticus and Genesis within the Payments and Network segment

See appendix for information regarding non-GAAP financial measures. All comparisons throughout this presentation are year-over-year Q3.21 vs. Q3.20 and YTD.21 vs. YTD.20, unless otherwise noted.

Adjusted Revenue and Adjusted EPS



$ in millions, except per share amounts, unaudited. See appendix for information regarding non-GAAP financial measures.

10% and 11%
Q3.21 and YTD.21 internal revenue growth, respectively

19%
sales growth in Q3.21

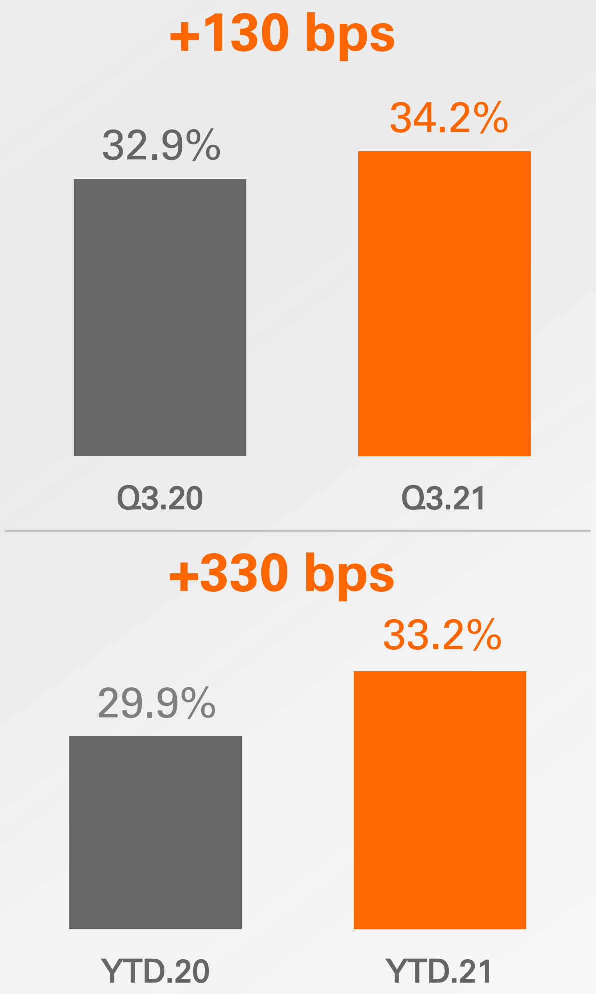
$95M
actioned revenue synergies in Q3.21

15%
adjusted operating income growth in Q3.21

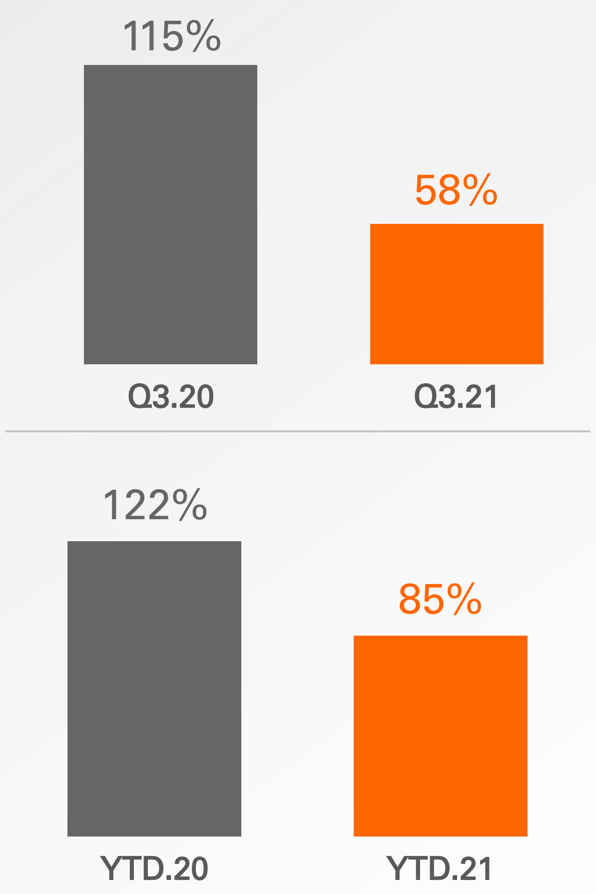
23%
adjusted EPS growth in Q3.21

Adjusted Operating Margin and Free Cash Flow Conversion

Adjusted Operating Margin



Free Cash Flow Conversion



130 bps

adjusted operating margin expansion in Q3.21

$64M

incremental cost synergy benefit in Q3.21

$51M

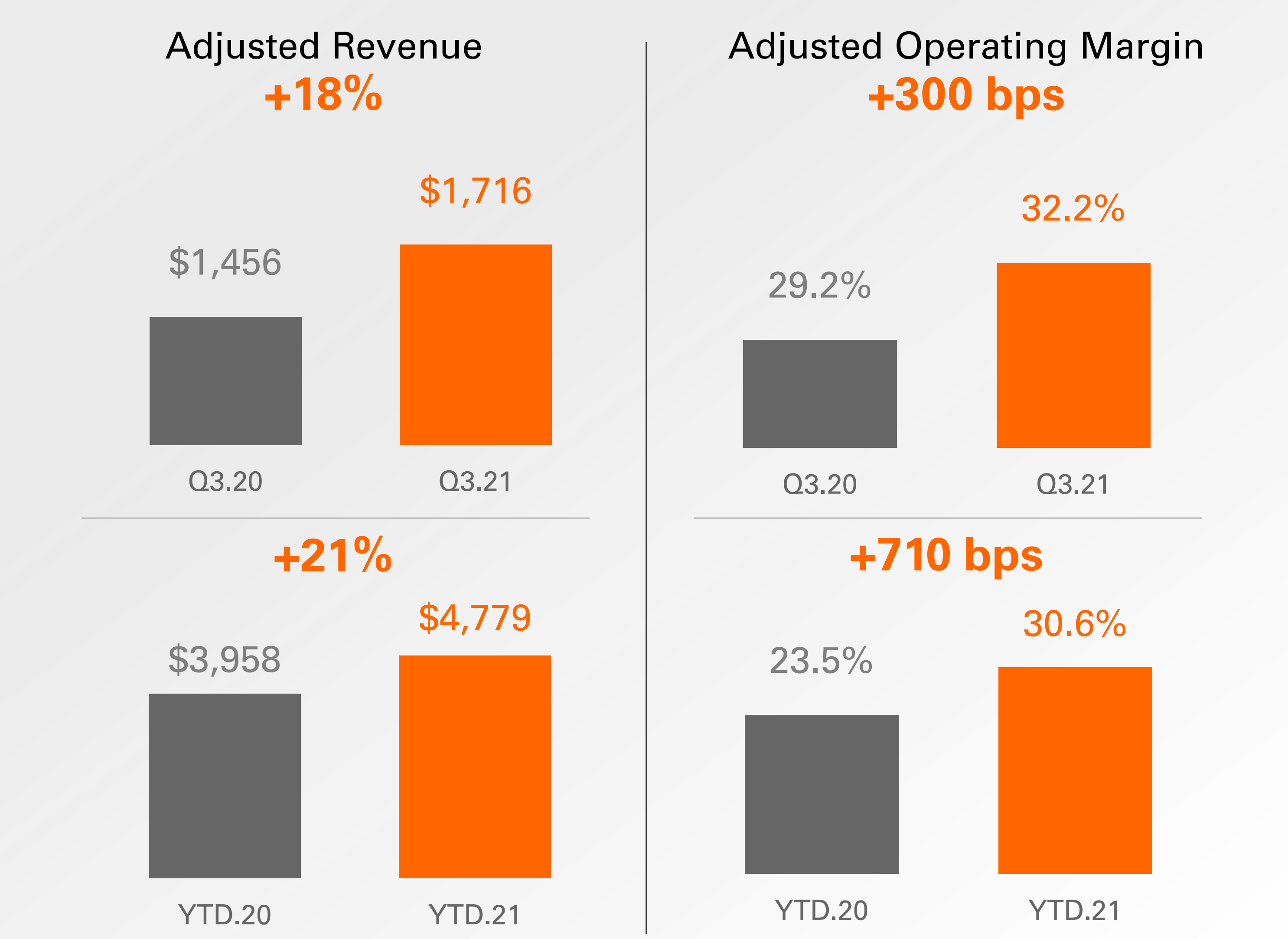
incremental revenue synergy benefit in Q3.21

$2.3B

free cash flow YTD.21

Unaudited. See appendix for information regarding non-GAAP financial measures.

Merchant Acceptance Segment



18% and 21%

internal revenue growth in Q3.21 and YTD.21, respectively

+300 bps and +710 bps

adjusted operating margin growth in Q3.21 and YTD.21, respectively, reflecting operating leverage in the business

20% and 16%

global merchant volume and transaction growth, respectively, in Q3.21*

21%

global e-commerce volume growth in Q3.21*

47%

Clover® GPV growth in Q3.21 to $196B annualized

71%

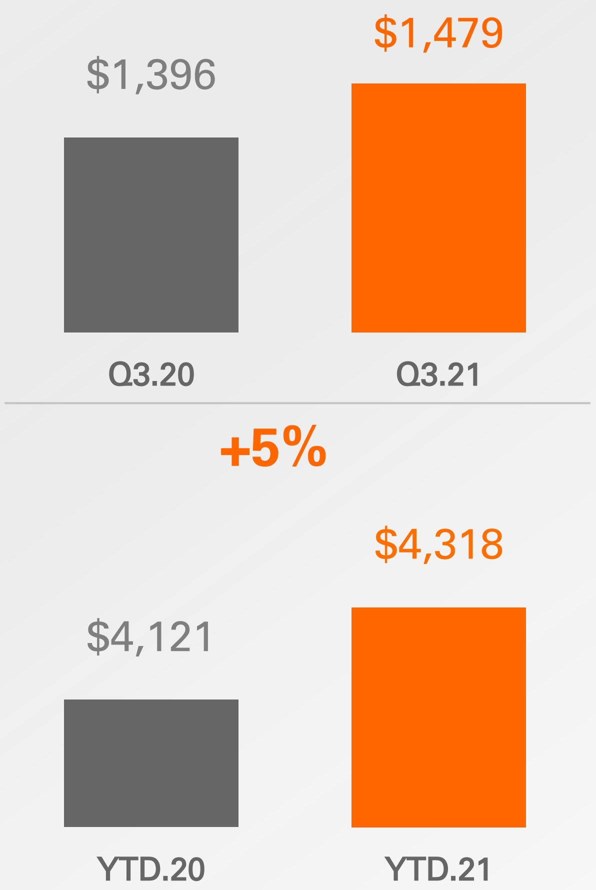
ISV volume growth in Q3.21

$ in millions, unaudited. "GPV" represents gross payment volume and "ISV" represents independent software vendor. See appendix for information regarding non-GAAP financial measures.
*represents growth excluding the impact of the loss of a large processing client at a joint venture; including the impact, Q3.21 global merchant volume growth was 15%, global transaction growth was 12% and global e-commerce volume growth was 8%

Payments and Network Segment

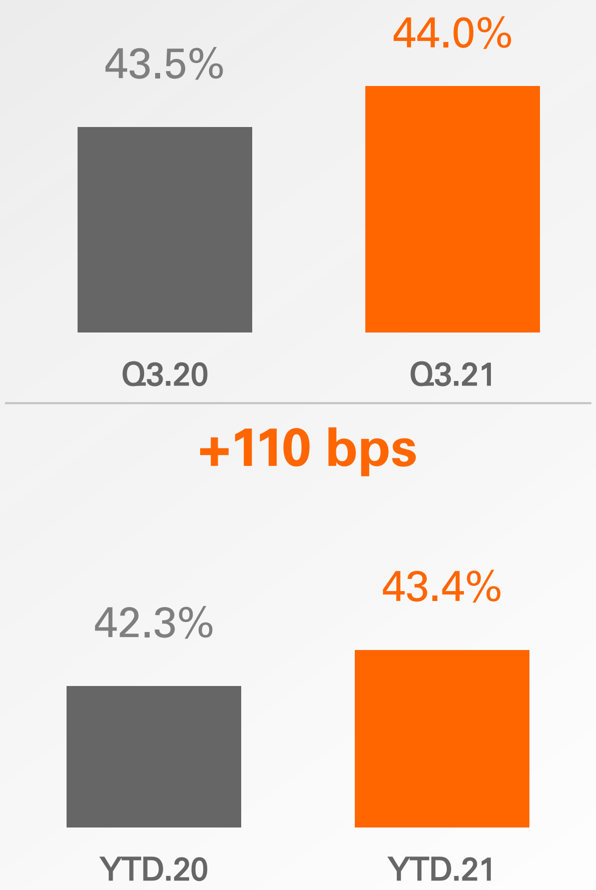
Adjusted Revenue

+6%



Adjusted Operating Margin

+50 bps



$ in millions, unaudited. See appendix for information regarding non-GAAP financial measures.

6% and 5%

internal revenue growth in Q3.21 and YTD.21, respectively

+50 bps and +110 bps

adjusted operating margin growth in Q3.21 and YTD.21, respectively

11%

debit transaction growth in Q3.21

75%

Zelle® transaction growth in Q3.21

65%

growth in number of clients on Zelle® in Q3.21

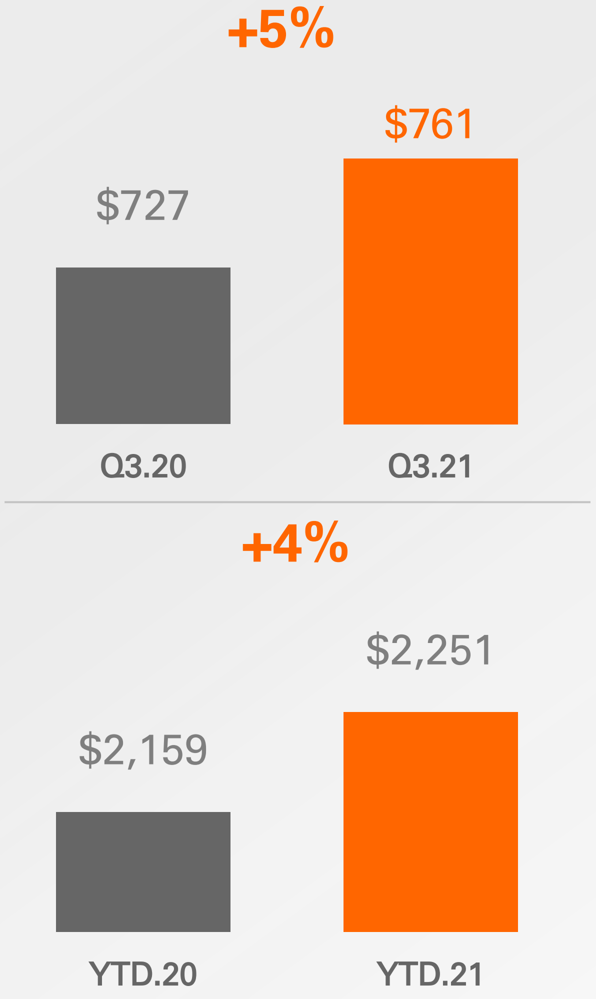
Wins and innovation

PNC-BBVA card portfolio conversion; Chime win for Star; launch of Credit Choice platform-as-a-service

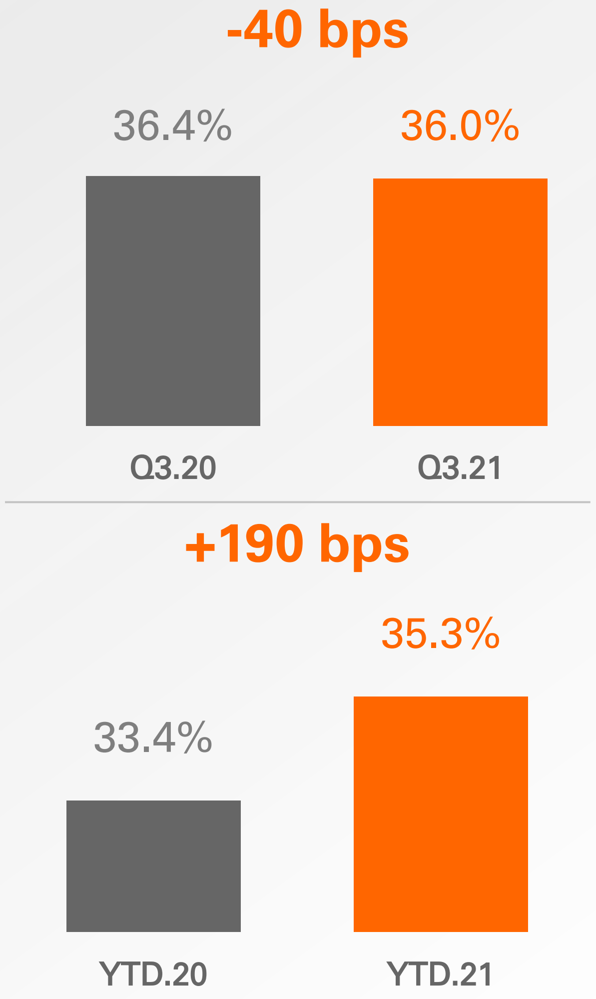
fiserv.

Financial Technology Segment

Adjusted Revenue



Adjusted Operating Margin



4%
internal revenue growth in Q3.21 and YTD.21

+560 bps
two-year adjusted operating margin expansion vs Q3.19

14
new core wins in Q3.21

10
new core wins with assets >$1B in YTD.21

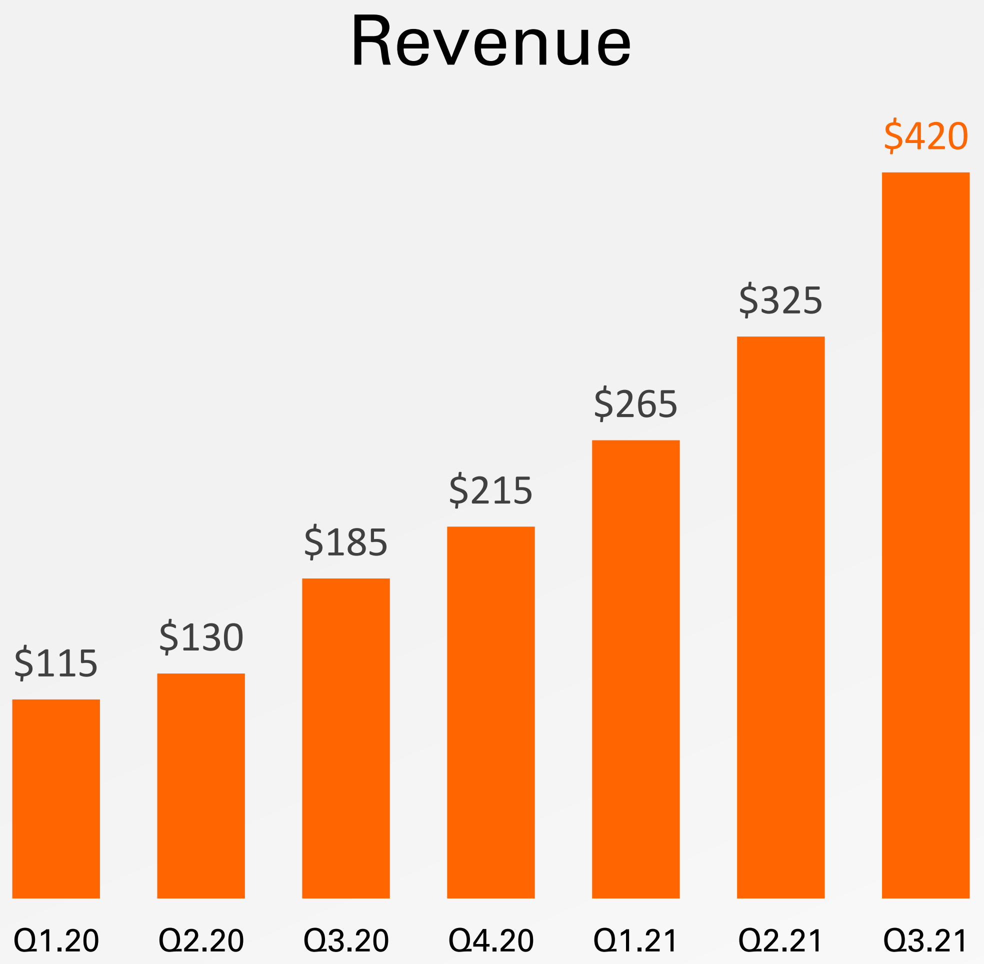
150
client sales in Q3.21 for Abiliti, our cloud-based, API-driven digital and mobile banking platform

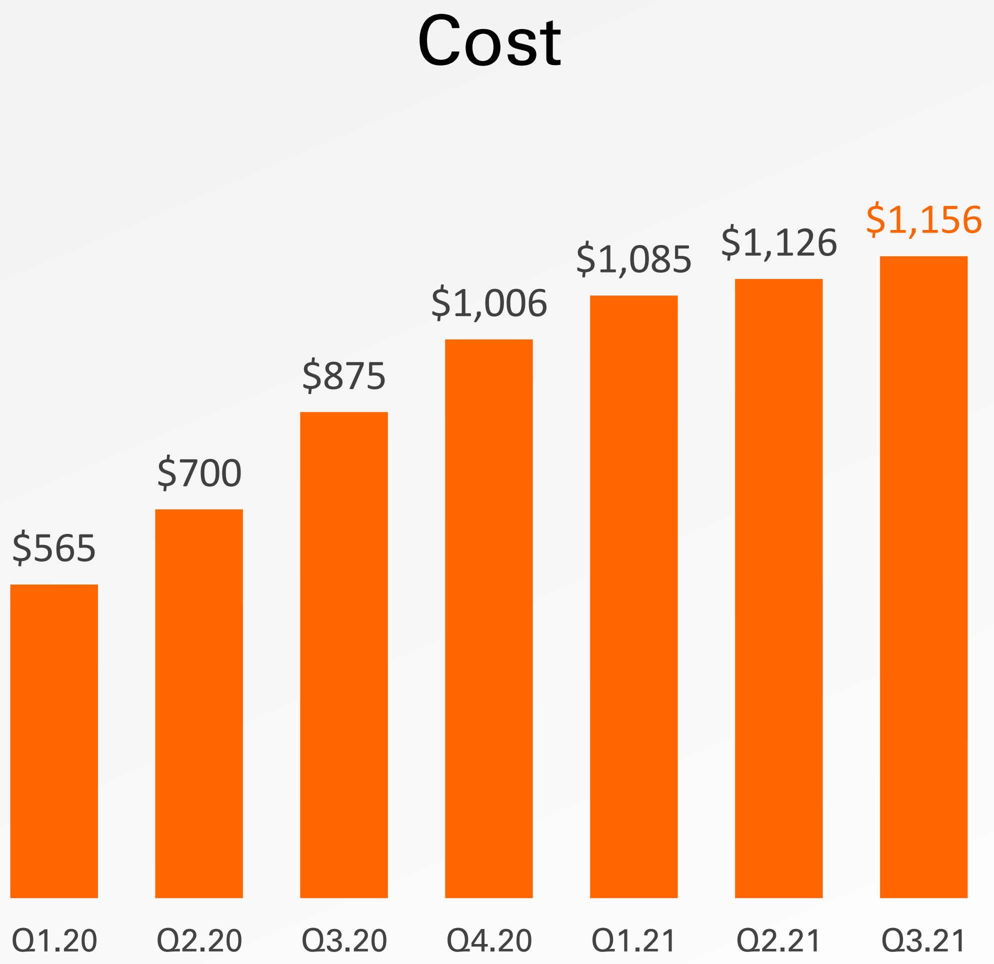
$ in millions, unaudited. See appendix for information regarding non-GAAP financial measures..

FORTUNE World's Most Admired Companies®
2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021

fiserv.

Actioned Synergies





$ in millions, unaudited. Merger-to-date actioned synergies through September 2021.

FORTUNE World's Most Admired Companies®
2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021

2021 Performance Outlook

Key Financial Metrics	Previous	Updated
Internal Revenue Growth	10%-12%	11%
Adjusted EPS	$5.50 - $5.60 *(24% to 27% growth)*	$5.55 - $5.60 *(26% to 27% growth)*
Other Financial Metrics		
Adjusted Operating Margin Expansion	>250 bps	>250 bps
Free Cash Flow Conversion	>108%	95% to 100%

See appendix for information regarding non-GAAP financial measures. Previous outlook as provided on July 27, 2021.

Q3.21 Revenue Details

	Merchant Acceptance	Payments and Network	Financial Technology	Corporate and Other	Total Company
GAAP revenue	$1,716	$1,471	$761	$215	$4,163
Output solutions postage reimbursements	-	-	-	(209)	(209)
Deferred revenue adjustments	-	8	-	-	8
Adjusted revenue	$1,716	$1,479	$761	$6	$3,962
Currency impact (FX)	5	(1)	(1)	-	3
Acquisitions and divestitures, net	(6)	(6)	-	(6)	(18)
Internal revenue*	$1,715	$1,472	$760	-	$3,947

	Merchant Acceptance	Payments and Network	Financial Technology	Corporate and Other	Total Company
GAAP revenue growth	18%	6%	5%	N/M	10%
Adjusted revenue growth	18%	6%	5%	N/M	10%
Internal revenue growth*	18%	6%	4%	N/M	10%

$ in millions, unaudited. See appendix for information regarding non-GAAP financial measures and related adjustments on pages 19-20.
*equivalent to organic, constant currency revenue
N/M: not meaningful for comparison

Appendix

Non-GAAP Financial Measures

Use of Non-GAAP Financial Measures

This presentation includes the following unaudited non-GAAP financial measures: "adjusted revenue," "internal revenue," "internal revenue growth," “organic revenue” (which is calculated in the same manner as internal revenue; see pages 19-20 of this presentation), “organic revenue growth,” "adjusted operating income," "adjusted operating margin," "adjusted operating margin expansion," "adjusted net income," "adjusted earnings per share," "adjusted earnings per share growth," "free cash flow," and "free cash flow conversion." Management believes that adjustments for certain non-cash or other items and the exclusion of certain pass-through revenue and expenses should enhance shareholders' ability to evaluate the company's performance, as such measures provide additional insights into the factors and trends affecting its business. Additional information about these measures and reconciliations to the nearest GAAP financial measures are provided in this appendix.

Forward-looking Non-GAAP Financial Measures

Reconciliations of unaudited non-GAAP financial measures to the most comparable GAAP measures are included in this presentation, except for forward-looking measures where a reconciliation to the corresponding GAAP measures is not available due to the variability, complexity and limited visibility of these items that are excluded from the non-GAAP outlook measures. The company's forward-looking non-GAAP financial measures for 2021, including internal revenue growth, adjusted earnings per share, adjusted operating margin, and free cash flow conversion, are designed to enhance shareholders' ability to evaluate the company's performance by excluding certain items to focus on factors and trends affecting its business. The company's internal revenue growth outlook includes deferred revenue purchase accounting adjustments and excludes the impact of foreign currency fluctuations, acquisitions, dispositions and the company's Output Solutions postage reimbursements. These adjustments are subject to variability and are anticipated to negatively impact 2021 GAAP revenue growth by approximately 1% as compared to internal revenue growth, primarily due to the Banc of America Merchant Services joint venture (BAMS) dissolution in the prior year. The company's adjusted earnings per share and adjusted operating margin outlooks include non-cash deferred revenue purchase accounting adjustments and exclude non-cash intangible asset amortization expense associated with acquisitions, non-cash impairment charges, restructuring costs, merger and integration costs, severance costs, gains or losses from the sale of businesses or investments and certain discrete tax benefits and expenses. The company's adjusted operating margin outlook excludes the impact of the company’s Output Solutions postage reimbursements. The company’s free cash flow outlook and free cash flow conversion outlook includes, but is not limited to, capital expenditures, distributions paid to noncontrolling interests, and distributions from unconsolidated affiliates and excludes severance, merger and integration payments. The company estimates that amortization expense in 2021 with respect to acquired intangible assets will approximate the amount incurred in 2020. Other adjustments to the company's financial measures that were incurred in 2020 and for the three and nine months ended September 30, 2021, are presented on the subsequent pages of this presentation; however, they are not necessarily indicative of adjustments that may be incurred throughout 2021 or beyond. Estimates of these impacts and adjustments on a forward-looking basis are not available due to the variability, complexity and limited visibility of these items.

Adjusted Revenue and Adjusted Operating Income

Total Company

	Q3.21	Q3.20	YTD.21	YTD.20
Revenue	$ 4,163	$ 3,786	$ 11,969	$ 11,020
Adjustments:				
Output Solutions postage reimbursements	(209)	(207)	(616)	(640)
Deferred revenue purchase accounting adjustments	8	11	21	34
Merchant Services adjustment [1]	—	—	—	(126)
Adjusted revenue	$ 3,962	$ 3,590	$ 11,374	$ 10,288
Operating income	$ 636	$ 542	$ 1,755	$ 1,336
Adjustments:				
Merger and integration costs	206	185	479	648
Severance costs	24	13	38	92
Amortization of acquisition-related intangible assets	490	477	1,509	1,523
Merchant Services adjustment [1]	—	—	—	(59)
Gain on sale of businesses	—	(36)	—	(464)
Adjusted operating income	$ 1,356	$ 1,181	$ 3,781	$ 3,076
Operating margin	15.3 %	14.3 %	14.7 %	12.1 %
Adjusted operating margin	34.2 %	32.9 %	33.2 %	29.9 %

$ in millions, unaudited. Operating margin percentages are calculated using actual, unrounded amounts.

See page 13 for information regarding non-GAAP financial measures.

[1] Represents an adjustment primarily related to the company's joint venture with Bank of America. The Banc of America Merchant Services joint venture (BAMS) was dissolved effective July 1, 2020. The company owned 51% of BAMS and, through June 30, 2020, BAMS' financial results were 100% consolidated into the company's financial statements for GAAP reporting purposes. In connection with the dissolution of the joint venture, the company received a 51% share of the joint venture's value via an agreed upon contractual separation. In addition, the company will continue providing merchant processing and related services to Bank of America for its merchant clients. This non-GAAP adjustment reduces adjusted revenue and adjusted operating income by the joint venture revenue and expense that was not expected to be retained by the company upon dissolution and is partially offset by an increase to processing and services revenue.

Adjusted Revenue and Adjusted Operating Income by Segment

Merchant Acceptance Segment

	Q3.21	Q3.20	YTD.21	YTD.20
Revenue	$ 1,716	$ 1,454	$ 4,779	$ 4,078
Adjustments:				
Deferred revenue purchase accounting adjustments	—	2	—	6
Merchant Services adjustment [1]	—	—	—	(126)
Adjusted revenue	$ 1,716	$ 1,456	$ 4,779	$ 3,958
Operating income	$ 552	$ 423	$ 1,463	$ 985
Adjustments:				
Merger and integration costs	—	2	—	5
Merchant Services adjustment [1]	—	—	—	(59)
Adjusted operating income	$ 552	$ 425	$ 1,463	$ 931
Operating margin	32.2 %	29.1 %	30.6 %	24.1 %
Adjusted operating margin	32.2 %	29.2 %	30.6 %	23.5 %

$ in millions, unaudited. Operating margin percentages are calculated using actual, unrounded amounts.
See page 13 for information regarding non-GAAP financial measures.

[1] Represents an adjustment primarily related to the company's joint venture with Bank of America. The Banc of America Merchant Services joint venture (BAMS) was dissolved effective July 1, 2020. The company owned 51% of BAMS and, through June 30, 2020, BAMS' financial results were 100% consolidated into the company's financial statements for GAAP reporting purposes. In connection with the dissolution of the joint venture, the company received a 51% share of the joint venture's value via an agreed upon contractual separation. In addition, the company will continue providing merchant processing and related services to Bank of America for its merchant clients. This non-GAAP adjustment reduces adjusted revenue and adjusted operating income by the joint venture revenue and expense that was not expected to be retained by the company upon dissolution and is partially offset by an increase to processing and services revenue.

Adjusted Revenue and Adjusted Operating Income by Segment

Payments and Network Segment

	Q3.21	Q3.20	YTD.21	YTD.20
Revenue	$ 1,471	$ 1,387	$ 4,297	$ 4,093
Adjustments:				
Deferred revenue purchase accounting adjustments	8	9	21	28
Adjusted revenue	$ 1,479	$ 1,396	$ 4,318	$ 4,121
Operating income	$ 643	$ 599	$ 1,850	$ 1,712
Adjustments:				
Merger and integration costs	7	9	21	29
Adjusted operating income	$ 650	$ 608	$ 1,871	$ 1,741
Operating margin	43.7 %	43.2 %	43.1 %	41.8 %
Adjusted operating margin	44.0 %	43.5 %	43.4 %	42.3 %

$ in millions, unaudited. Operating margin percentages are calculated using actual, unrounded amounts.

See page 13 for information regarding non-GAAP financial measures.

Adjusted Revenue and Adjusted Operating Income by Segment

Financial Technology Segment

	Q3.21	Q3.20	YTD.21	YTD.20
Revenue	$ 761	$ 727	$ 2,251	$ 2,159
Operating income	$ 275	$ 265	$ 794	$ 721
Operating margin	36.0 %	36.4 %	35.3 %	33.4 %

$ in millions, unaudited. Operating margin percentages are calculated using actual, unrounded amounts.

For all periods presented in the Financial Technology segment, there were no adjustments to GAAP measures presented and thus the adjusted measures are equal to the GAAP measures presented.

See page 13 for information regarding non-GAAP financial measures.

Two-Year Adjusted Operating Margin Growth

Financial Technology Segment

	Q3.21	Q3.19	YTD.21	YTD.19
Revenue	$ 761	$ 735	$ 2,251	$ 2,191
Operating income	$ 275	$ 223	$ 794	$ 647
Operating margin	36.0 %	30.4 %	35.3 %	29.5 %
Two-year growth	560 bps		580 bps	

$ in millions, unaudited. Operating margin percentages are calculated using actual, unrounded amounts.

For all periods presented in the Financial Technology segment, there were no adjustments to GAAP measures presented and thus the adjusted measures are equal to the GAAP measures presented.

See page 13 for information regarding non-GAAP financial measures.

Adjusted and Internal Revenue by Segment

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2021	2020	Growth	2021	2020	Growth
Total Company						
Revenue	$ 4,163	$ 3,786	10%	$ 11,969	$ 11,020	9%
Output Solutions postage reimbursements	(209)	(207)		(616)	(640)	
Deferred revenue purchase accounting adjustments	8	11		21	34	
Merchant Services adjustment [1]	—	—		—	(126)	
Adjusted revenue	$ 3,962	$ 3,590	10%	$ 11,374	$ 10,288	11%
Currency impact	3	—		(18)	—	
Acquisition adjustments	(12)	—		(26)	—	
Divestiture adjustments	(6)	(12)		(272)	(287)	
Internal revenue [2]	$ 3,947	$ 3,578	10%	$ 11,058	$ 10,001	11%
Merchant Acceptance						
Revenue	$ 1,716	$ 1,454	18%	$ 4,779	$ 4,078	17%
Deferred revenue purchase accounting adjustments	—	2		—	6	
Merchant Services adjustment [1]	—	—		—	(126)	
Adjusted revenue	$ 1,716	$ 1,456	18%	$ 4,779	$ 3,958	21%
Currency impact	5	—		4	—	
Acquisition adjustments	(6)	—		(11)	—	
Divestiture adjustments	—	—		(246)	(217)	
Internal revenue [2]	$ 1,715	$ 1,456	18%	$ 4,526	$ 3,741	21%
Financial Technology [3]						
Revenue	$ 761	$ 727	5%	$ 2,251	$ 2,159	4%
Currency impact	(1)	—		(9)	—	
Internal revenue [2]	$ 760	$ 727	4%	$ 2,242	$ 2,159	4%

$ in millions, unaudited. Revenue growth is calculated using actual, unrounded amounts.

Adjusted and Internal Revenue by Segment (cont.)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2021	2020	Growth	2021	2020	Growth
Payments and Network						
Revenue	$ 1,471	$ 1,387	6%	$ 4,297	$ 4,093	5%
Deferred revenue purchase accounting adjustments	8	9		21	28	
Adjusted revenue	$ 1,479	$ 1,396	6%	$ 4,318	$ 4,121	5%
Currency impact	(1)	—		(13)	—	
Acquisition adjustments	(6)	—		(15)	—	
Divestiture adjustments	—	(1)		—	(20)	
Internal revenue [2]	$ 1,472	$ 1,395	6%	$ 4,290	$ 4,101	5%
Corporate and Other						
Revenue	$ 215	$ 218		$ 642	$ 690	
Output Solutions postage reimbursements	(209)	(207)		(616)	(640)	
Adjusted revenue	$ 6	$ 11		$ 26	$ 50	
Divestiture adjustments	(6)	(11)		(26)	(50)	
Internal revenue [2]	$ —	$ —		$ —	$ —	

$ in millions, unaudited. Revenue growth is calculated using actual, unrounded amounts.
See page 13 for information regarding non-GAAP financial measures.

[1] Represents an adjustment primarily related to the company's joint venture with Bank of America. The Banc of America Merchant Services joint venture (BAMS) was dissolved effective July 1, 2020. The company owned 51% of BAMS and, through June 30, 2020, BAMS' financial results were 100% consolidated into the company's financial statements for GAAP reporting purposes. In connection with the dissolution of the joint venture, the company received a 51% share of the joint venture's value via an agreed upon contractual separation. In addition, the company will continue providing merchant processing and related services to Bank of America for its merchant clients. This non-GAAP adjustment reduces adjusted revenue and adjusted operating income by the joint venture revenue and expense that was not expected to be retained by the company upon dissolution and is partially offset by an increase to processing and services revenue.

[2] Internal revenue growth is measured as the change in adjusted revenue (see pages 14-17) for the current period excluding the impact of foreign currency fluctuations and revenue attributable to acquisitions and dispositions, divided by adjusted revenue from the prior period excluding revenue attributable to dispositions. Revenue attributable to dispositions also includes current and prior period revenue associated with merchants retained by the company from the Banc of America Merchant Services joint venture through the one year period following the joint venture's July 1, 2020 dissolution date, and transition services revenue within Corporate and Other. Currency impact is measured as the increase or decrease in adjusted revenue for the current period by applying prior period foreign currency exchange rates to present a constant currency comparison to prior periods.

[3] For all periods presented in the Financial Technology segment, there were no adjustments to GAAP measures presented and thus the adjusted measures are equal to the GAAP measures presented.

Adjusted Net Income and Adjusted EPS

	Q3.21	Q3.20	YTD.21	YTD.20
GAAP net income attributable to Fiserv	$ 428	$ 264	$ 1,001	$ 658
Adjustments:				
Merger and integration costs [1]	210	185	483	648
Severance costs [2]	24	13	38	92
Amortization of acquisition-related intangible assets [3]	490	477	1,509	1,523
Non wholly-owned entity activities [4]	33	34	40	53
Tax impact of adjustments [5]	(174)	(162)	(476)	(532)
Gain on sale of businesses [6]	—	(36)	—	(464)
Tax impact of gain on sale of businesses [5]	—	12	—	124
Discrete tax items [7]	(24)	32	110	32
Adjusted net income	$ 987	$ 819	$ 2,705	$ 2,134
GAAP EPS attributable to Fiserv	$ 0.64	$ 0.39	$ 1.49	$ 0.96
Adjustments - net of income taxes:				
Merger and integration costs [1]	0.24	0.21	0.55	0.73
Severance costs [2]	0.03	0.02	0.04	0.10
Amortization of acquisition-related intangible assets [3]	0.56	0.54	1.72	1.71
Non wholly-owned entity activities [4]	0.04	0.04	0.05	0.06
Gain on sale of businesses [6]	—	(0.04)	—	(0.50)
Discrete tax items [7]	(0.04)	0.05	0.16	0.05
Adjusted EPS	$ 1.47	$ 1.20	$ 4.01	$ 3.12

$ in millions, except per share amounts, unaudited. Earnings per share is calculated using actual, unrounded amounts.

See page 13 for information regarding non-GAAP financial measures.

Adjusted Net Income and Adjusted EPS (cont.)

[1] Represents acquisition and related integration costs incurred in connection with various acquisitions, primarily related to the First Data acquisition. First Data integration costs in the third quarter and first nine months of 2021 primarily include $95 million and $210 million, respectively, of third party professional service fees associated with integration activities; $13 million and $41 million, respectively, of incremental share-based compensation, including the fair value of stock awards assumed by Fiserv; and $60 million and $153 million, respectively, of other integration-related compensation costs. First Data integration costs in the third quarter and first nine months of 2020 primarily include $51 million and $154 million, respectively, of third party professional services fees associated with integration activities; $34 million and $126 million, respectively, of incremental share-based compensation, including the fair value of stock awards assumed by Fiserv; $27 million and $105 million, respectively, of other integration-related compensation costs; $35 million and $115 million, respectively, of accelerated depreciation and amortization associated with the termination of certain vendor contracts; and $4 million and $44 million, respectively, of non-cash impairment charges associated with the early exit of certain leased facilities. The company expects to complete the integration activities associated with the achievement of cost synergies related to the First Data acquisition by the end of 2021.

[2] Represents severance costs associated with the achievement of expense management initiatives, primarily related to the First Data acquisition.

[3] Represents amortization of intangible assets acquired through various acquisitions, including customer relationships, software/technology and trade names. This adjustment does not exclude the amortization of other intangible assets such as contract costs (sales commissions and deferred conversion costs), capitalized and purchased software, and financing costs and debt discounts. See additional information on page 24 for an analysis of the company's amortization expense.

[4] Represents the company’s share of amortization of acquisition-related intangible assets at its unconsolidated affiliates, as well as the minority interest share of amortization of acquisition-related intangible assets at its subsidiaries in which the company holds a controlling financial interest. This adjustment during the third quarter and first nine months of 2021 also includes net gains totaling $2 million and $75 million, respectively, related to the fair value remeasurement and sale of certain equity investments.

[5] The tax impact of adjustments is calculated using a tax rate of 23%, which approximates the company's anticipated annual effective tax rate, exclusive of the actual tax impacts associated with the gain on the sale of businesses.

[6] Represents the gain associated with the sale of a 60% interest in the Investment Services business in February 2020 and the dissolution of the Banc of America Merchant Services joint venture in July 2020.

[7] Represents certain discrete tax items, such as foreign derived intangible income tax benefits from a subsidiary restructuring and the revaluation of deferred taxes due to a change in the respective statutory tax rates in the United Kingdom and Argentina.

Free Cash Flow Conversion

	Q3.21	Q3.20	YTD.21	YTD.20
Net cash provided by operating activities	$ 678	$ 1,042	$ 2,691	$ 2,961
Capital expenditures	(320)	(201)	(814)	(689)
Adjustments:				
Distributions paid to noncontrolling interests and redeemable noncontrolling interests	(20)	(9)	(41)	(61)
Distributions from unconsolidated affiliates included in cash flows from investing activities	39	28	91	94
Severance, merger and integration payments	196	96	414	368
Tax payments on adjustments	(45)	(17)	(95)	(79)
Tax payments on gain on sale of investments in unconsolidated affiliates	44	—	44	—
Free cash flow	$ 572	$ 939	$ 2,290	$ 2,594
Adjusted net income	$ 987	$ 819	$ 2,705	$ 2,134
Free cash flow conversion	58 %	115 %	85 %	122 %
GAAP net income attributable to Fiserv	$ 428	$ 264	$ 1,001	$ 658
Ratio of net cash provided by operating activities to GAAP net income attributable to Fiserv	158 %	395 %	269 %	450 %

$ in millions, unaudited. Free cash flow conversion is defined as free cash flow divided by adjusted net income.

See page 13 for information regarding non-GAAP financial measures. See pages 21-22 for adjusted net income reconciliation.

Additional Information – Amortization Expense

Total Amortization	**Q3.21**	**Q3.20**	**YTD.21**	**YTD.20**
Acquisition-related intangible assets	$ 509	$ 504	$ 1,554	$ 1,603
Capitalized software and other intangibles	76	41	202	119
Purchased software	57	78	181	212
Financing costs and debt discounts	16	13	41	36
Sales commissions	24	23	72	67
Deferred conversion costs	13	8	37	22
Total amortization	$ 695	$ 667	$ 2,087	$ 2,059

$ in millions, unaudited.

The company adjusts its non-GAAP results to exclude amortization of acquisition-related intangible assets as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions (see corresponding adjustment on pages 21-22). The adjustment for acquired First Data software/technology excludes only the incremental amortization related to the fair value purchase accounting allocation. Management believes that the adjustment of acquisition-related intangible asset amortization supplements the GAAP information with a measure that can be used to assess the comparability of operating performance. Although the company excludes amortization from acquisition-related intangible assets from its non-GAAP expenses, management believes that it is important for investors to understand that such intangible assets were recorded as part of purchase accounting and contribute to revenue generation. Amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Any future acquisitions may result in the amortization of additional intangible assets.

2020 Adjusted Net Income and Adjusted EPS Reconciliation

2020 GAAP net income attributable to Fiserv	$ 958
Adjustments:	
Merger and integration costs [1]	902
Severance costs [2]	108
Amortization of acquisition-related intangible assets [3]	2,024
Non wholly-owned entity activities [4]	94
Tax impact of adjustments [5]	(719)
Gain on sale of businesses [6]	(464)
Tax impact of gain on sale of businesses [5]	124
Discrete tax items [7]	(7)
2020 Adjusted net income	$ 3,020
2020 Weighted average common shares outstanding - diluted	683.4
2020 GAAP earnings per share attributable to Fiserv	$ 1.40
Adjustments - net of income taxes:	
Merger and integration costs [1]	1.02
Severance costs [2]	0.12
Amortization of acquisition-related intangible assets [3]	2.28
Non wholly-owned entity activities [4]	0.11
Gain on sale of businesses [6]	(0.50)
Discrete tax items [7]	(0.01)
2020 Adjusted earnings per share	$ 4.42
2021 Adjusted earnings per share outlook	$5.55 - $5.60
2021 Adjusted earnings per share growth outlook	26% - 27%

$ in millions, except per share amounts, unaudited. Earnings per share is calculated using actual, unrounded amounts. See page 13 for information regarding non-GAAP financial measures.

2020 Adjusted Net Income and Adjusted EPS Reconciliation (cont.)

[1] Represents acquisition and related integration costs incurred in connection with various acquisitions. Merger and integration costs include $865 million related to the First Data acquisition. First Data integration costs primarily include $224 million of third party professional service fees associated with integration activities; $165 million of incremental share-based compensation, including the fair value of stock awards assumed by Fiserv; $118 million of accelerated depreciation and amortization associated with the termination of vendor contracts; $137 million of other integration-related compensation costs; and $124 million of non-cash impairment charges associated with the early exit of certain leased facilities.

[2] Represents severance costs associated with the achievement of expense management initiatives, primarily related to the First Data acquisition.

[3] Represents amortization of intangible assets acquired through various acquisitions, including customer relationships, software/technology, and trade names. This adjustment does not exclude the amortization of other intangible assets such as contract costs (sales commissions and deferred conversion costs), capitalized and purchased software, and financing costs and debt discounts.

[4] Represents the company's share of amortization of acquisition-related intangible assets at its unconsolidated affiliates, as well as the minority interest share of amortization of acquisition-related intangible assets at its subsidiaries in which the company holds a controlling financial interest.

[5] The tax impact of adjustments is calculated using a tax rate of 23%, which approximates the company's anticipated annual effective tax rate, exclusive of the actual tax impacts associated with the gain on sale of businesses.

[6] Represents the earnings attributable to divested businesses and the gain on the associated divestiture transactions, including the sale of a 60% interest in the Investment Services business in February 2020 and the dissolution of the Banc of America Merchant Services joint venture in July 2020.

[7] Represents certain discrete tax items, primarily related to foreign income tax benefits from a subsidiary restructuring and the revaluation of deferred taxes due to a change in the statutory tax rate in the United Kingdom.

2020 Adjusted Revenue and Adjusted Operating Income Reconciliation

2020 Revenue	$	14,852
Adjustments:		
Output Solutions postage reimbursements		(864)
Deferred revenue purchase accounting adjustments		46
Merchant Services adjustment[1]		(126)
2020 Adjusted revenue	$	13,908
2020 Operating income	$	1,852
Adjustments:		
Merger and integration costs		902
Severance costs		108
Amortization of acquisition-related intangible assets		2,024
Merchant Services adjustment[1]		(59)
Gain on sale of businesses		(464)
2020 Adjusted operating income	$	4,363
2020 Operating margin		12.5 %
2020 Adjusted operating margin		31.4 %
2021 Adjusted operating margin expansion outlook		> 250 bps

$ in millions, unaudited. Operating margin percentages are calculated using actual, unrounded amounts.

See page 13 for information regarding non-GAAP financial measures.

[1] Represents an adjustment primarily related to the company's joint venture with Bank of America. The Banc of America Merchant Services joint venture (BAMS) was dissolved effective July 1, 2020. The company owned 51% of BAMS and, through June 30, 2020, BAMS' financial results were 100% consolidated into the company's financial statements for GAAP reporting purposes. In connection with the dissolution of the joint venture, the company received a 51% share of the joint venture's value via an agreed upon contractual separation. In addition, the company will continue providing merchant processing and related services to Bank of America for its merchant clients. This non-GAAP adjustment reduces adjusted revenue and adjusted operating income by the joint venture revenue and expense that was not expected to be retained by the company upon dissolution and is partially offset by an increase to processing and services revenue.

